

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

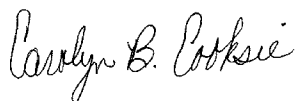
**Notice FLP-68**

1951-S, 1962-A, 1965-A,

**For:** State and County Offices

**Suggestions for Reducing the Need for Real Estate and Chattel Appraisals**

**Approved by:** Deputy Administrator, Farm Loan Programs



**1 Reducing the Need for Appraisals**

**A**

**Background**

Budget constraints limit funding and personal resources available for appraisals. FSA needs to ensure that appraisals are obtained only when essential to complete a servicing action.

**B**

**Purpose**

This notice provides suggestions for reducing the need for appraisals.

**C**

**Contact**

If questions:

- County Offices shall contact the State Office
- State Office shall contact Bruce Mair, LSPMD, at 202-690-4009.

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**Disposal Date**

October 1, 2001

**Distribution**

State Offices; State Offices relay to County Offices

**1 Reducing the Need for Appraisals (Continued)**

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**D**

**Suggestions**

**Delinquency servicing under FmHA Instruction 1951-S**

Appraisals are not necessary for debt restructuring unless writedown or buyout is required. FLM's should run DALR\$ to see if the account can be restructured without a writedown or buyout. If appraisals are needed, DALR\$ can be rerun.

**Partial release of real estate security under FmHA Instruction 1965-A**

SED's should request an Administrator's exception to section 1965.13(d) of FmHA Instruction 1965-A, so that the approval official will not need to obtain an appraisal to determine the market value of the **property being retained**. Exception requests should be sent by facsimile to the attention of David Spillman, Chief, Direct Loan Servicing Branch, at 202-720-7686.

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